

FILED WITH LRC TIME: <u>10 am</u>  SEP 15 2017  <i>Emily B Caudill</i> REGULATIONS COMPILER
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1 FINANCE AND ADMINISTRATION CABINET

2 Department of Revenue

3 (Repealer)

4 103 KAR 50:021. Repeal of 103 KAR 50:020, 103 KAR 50:030 and 103 KAR 50:040

5 RELATES TO: KRS 65.7069, 65.7045, 65.7073, 65.7075, 65.7083

6 STATUTORY AUTHORITY: KRS 65.7071(2)(a)3.b.i, 65.7071(2)(b)

7 NECESSITY, FUNCTION, AND CONFORMITY: 2008 Ky. Acts ch. 178 (HB 611)

8 abolished the Division of Tax Increment Financing within the Department of Revenue and

9 repealed, reenacted, or amended KRS 65.7045, 65.7073, 65.7075 and 65.7083 to establish a new

10 Subchapter 30 of KRS Chapter 154 concerning tax increment financing projects and provide that

11 the Kentucky Economic Development Finance Authority and the Cabinet for Economic

12 Development would now oversee the administration of Tax Increment Financing projects.

13 Therefore, these regulations are obsolete and no longer needed.

14 Section 1. The following regulations are hereby repealed:


15 (1) 103 KAR 50:020, Application for state participation in tax increment financing  
16 projects;


17 (2) 103 KAR 50:030, Commercially reasonable limits on financing costs; and

18 (3) 103 KAR 50:040, General Administration.

103 KAR 50:021

APPROVED:

  
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DANIEL BORK, COMMISSIONER  
Department of Revenue  
Finance and Administration Cabinet

  
\_\_\_\_\_  
DATE APPROVED BY AGENCY

## PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on October 24, 2017, at 1:00 p.m. in Room 11A, State Office Building, Frankfort KY 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through October 31, 2017. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Lisa Swiger, Tax Policy Research Consultant, Department of Revenue, 501 High Street, Station 1, Frankfort, Kentucky, 40601, (502) 564-9526 (telephone), (502) 564-3875(fax), Lisa.Swiger@ky.gov(email).

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation Number: 103 KAR 50:021

Contact Person: Lisa Swiger  
Phone Number: (502)564-9526  
Email: Lisa.Swiger@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: Repeals 103 KAR 50:020, 103 KAR 50:030 and 103 KAR 50:040 that had oversight for tax increment financing projects prior to 2008 when the authority and administration was transferred from the Department of Revenue to the Kentucky Economic Development Finance Authority and the Cabinet for Economic Development.

(b) The necessity of this administrative regulation: KRS 13A requires a regulation that will no longer be updated or effective to be repealed.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This regulation filing is required per the provisions of KRS 13A to repeal regulations that will no longer be in effect.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This regulation will ensure that the Department of Revenue is in compliance with KRS 13A.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: N/A.

(b) The necessity of the amendment to this administrative regulation: N/A

(c) How the amendment conforms to the content of the authorizing statutes: N/A

(d) How the amendment will assist in the effective administration of the statutes: N/A

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: None.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: None.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): None.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): None.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: None.

(b) On a continuing basis: None.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: N/A

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change, if it is an amendment: No change.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: No fees are established or increased by this regulation.

(9) TIERING: Is tiering applied? Tiering was not applied for this regulation because it is repealing an existing regulation that is no longer needed.

## FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number: 103 KAR 50:021

Contact Person: Lisa Swiger  
Phone Number: (502)564-9526  
Email: Lisa.Swiger@ky.gov

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? None. This regulation is repealing regulations under Chapter 131 because the authority and administration of the subject matter has been transferred from the Finance and Administration Cabinet, Department of Revenue to the Kentucky Economic Development Finance Authority (KEDFA) and the Cabinet for Economic Development.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 154.30 was created in 2008 Ky. Acts ch. 178 (HB 611) to abolish the Division of Tax Increment Financing within the Department of Revenue and repeal, reenact, or amend KRS 65.7045, 65.7073, 65.7075 and 65.7083 to provide that KEDFA and the Cabinet for Economic Development would now oversee the provisions provided in 103 KAR 50:020, 103 KAR 50:030 and 103 KAR 50:040.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. The Cabinet for Economic Development has administered tax increment financing projects under KRS Chapter 65 since 2008. Therefore, there will be no effect on expenditures and revenues for state or local government agencies as a result of repealing of this administrative regulation.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? None

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? None.

(c) How much will it cost to administer this program for the first year? None

(d) How much will it cost to administer this program for subsequent years? None

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: